

## Message Text

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62

ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 NSAE-00 NSCE-00 SSO-00

USIE-00 INRE-00 FEA-01 AEC-07 AID-05 CEA-01 CIEP-02

COME-00 EB-07 FPC-01 H-02 INR-07 INT-05 L-02 NSC-05

OMB-01 PM-03 RSC-01 SAM-01 OES-05 SP-02 SS-15 STR-04

TRSE-00 FRB-01 PA-02 PRS-01 /092 W

----- 105215

O R 182054Z DEC 74

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC IMMEDIATE 6990

INFO AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY PANAMA

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

AMEMBASSY QUITO

UNCLAS CARACAS 12433

FOR ARA/NC AND ECP

E.O. 11652: N/A

TAGS: ENRG, EINV, PFOR, VE, XK

SUBJECT: PROPOSED VENEZUELAN INVESTMENT IN NEW COSTA RICAN  
REFINERY

REF: CARACAS 9869

1. DURING COURSE OF SUMMIT MEETING WITH CENTRAL AMERICAN PRESIDENTS  
DECEMBER 13 AND 14, PRESIDENT PEREZ WAS ASKED THE FOLLOWING QUESTIONS  
BY PRESS CONCERNING COSTA RICAN REFINERY:

QUESTION: HOW CAN ONE EXPLAIN FACT THAT VENEZUELA CAN INSTALL  
IN COSTA RICA A PETROLEUM REFINERY WHEN WE HAVE PUSHED HERE IN  
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VENEZUELA FOR THE REDUCTION OF PETROLEUM PRODUCTION FOR CONSERVATION

REASONS?

PRESIDENT PEREZ' RESPONSE: WE ARE NOT CONSIDERING A PETROLEUM REFINERY FOR COSTA RICA. WHAT WE ARE CONSIDERING IS THE STUDY OF A PETROLEUM REFINERY IN THE PACIFIC WHERE PETROLEUM HAS THE HIGHEST EXPORT PRICES. NOT FOR CENTRAL AMERICA. AND WITH PARTICIPATION OF MIDDLE EASTERN COUNTRIES, OF ECUADOR, AND OF VENEZUELA, THAT IS TO SAY, AN INTEGRATED MANNER AND FOR THE PETROLEUM PRODUCING COUNTRIES NOT TO COMPETE IN OUR REGION. IF WE ACHIEVE THIS, VENEZUELA WILL HAVE OBTAINED A GREAT PETROLEUM TRIUMPH.

QUESTION: FOR THAT REASON THIS WILL BE A LONG TERM PROJECT?

RESPONSE: YES, ALTHOUGH WE STILL DO NOT HAVE AN ORIGINAL DESIGN, THE IDEA IS TO TALK WITH MIDDLE EASTERN COUNTRIES AND WITH ECUADOR TO SEE IF VENEZUELA WILL HAVE A POSSIBILITY OF HAVING ITS PETROLEUM IN THE PACIFIC WHERE, AS I HAVE SAID, THERE ARE BETTER PRICES. THIS WOULD NOT SIGNIFY A GREATER EXPLOITATION OF OUR PETROLEUM BECAUSE OF THE FACT THAT ON THE OTHER HAND WE ARE INTERESTED IN INCREASING OUR REFINING CAPACITY IN VENEZUELA, BUT TO BE AHEAD OF THE DANGER THAT COULD OCCUR FROM COMPETITION IN OUR REGION FROM VARIOUS PETROLEUM COUNTRIES.

2. A SEPARATE ARTICLE, DATED LINE PUERTO ORDÁZ AND PUBLISHED IN "EL UNIVERSAL" ON DECEMBER 15, REPORTED THAT COSTA RICAN PRESIDENT ODUBER WAS SATISFIED WITH AGREEMENTS REACHED IN THE MEETING WHICH CULMINATED IN THE DECLARATION OF GUAYANA. PRESIDENT ODUBER REPORTEDLY SAID THAT THE PETROLEUM REFINERY PROJECT FOR COSTA RICA IS A BILATERAL PROJECT IN WHICH COSTA RICAN AND VENEZUELAN JOINT CAPITAL WILL CARRY OUT THE PROJECT. SEVENTY-FIVE PERCENT OF THE FINANCING WILL BE FROM NEITHER OF THE TWO COUNTRIES, RATHER FROM THE INTERNATIONAL CAPITAL MARKET. VENEZUELAN CRUDE WILL BE PROCESSED IN THE REFINERY AND DESTINED FOR PENETRATION OF THE PACIFIC MARKET. HE SAID THAT THIS IS A LONG TERM PROJECT AND THAT AT PRESENT IT IS UNDER STUDY BY A JOINT VENEZUELAN/COSTA RICAN MISSION COMPOSED OF REPRESENTATIVES FROM THE VENEZUELAN MINISTRY OF MINES, THE VENEZUELAN PETROLEUM CORPORATION, THE COSTA RICAN MINISTRY OF INDUSTRY, AND THE EXISTING COSTA RICAN REFINERY.

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## Message Attributes

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**Status:** NATIVE  
**Subject:** PROPOSED VENEZUELAN INVESTMENT IN NEW COSTA RICAN  
**TAGS:** ENRG, EINV, PFOR, VE, XK, CS, (PEREZ)  
**To:** STATE  
**Type:** TE  
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